No. 89-251

IN THE
Supreme Court of the United States

OCTOBER TERM, 1989

EPIC METALS CORPORATION,
Petitioner,
v.
H. H. ROBERTSON COMPANY,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTIONS PRESENTED

Respondent, H. H. Robertson Company, does not agree with petitioner's statement of questions presented. The only questions properly presented are as follows:

1. Did the Court of Appeals for the Federal Circuit have jurisdiction with respect to Robertson's appeal from the district court's order denying Robertson's motion for preliminary injunction?
2. Did the Court of Appeals properly hold that a consent judgment in an earlier patent infringement action is *res judicata* in a subsequent patent infringement action between the same parties and involving the same patent except as to issues expressly reserved in the consent judgment?

CERTIFICATE OF INTEREST

The Counsel of record for H. H. Robertson Company (Defendant-Respondent) certifies as follows:

(a) H. H. Robertson Company is the full name of the party represented by counsel of record for it in this case.

(b) H. H. Robertson Company is the real party in interest.

(c) H. H. Robertson Company is a corporation organized under the laws of the Commonwealth of Pennsylvania and has no publicly-held affiliates.

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COUNTERSTATEMENT OF THE CASE

In 1973, the United States Patent and Trademark Office granted Robertson's* application for the Fork patent for an electrified floor structure, of which a trench subassembly is a part. The Fork patent was held valid and infringed after two plenary bench trials, *H. H. Robertson Company v. Bargar Metal Fabricating Company and Conduflor Corporation*, 225 USPQ 1191 (N.D. Ohio 1984) and *H. H. Robertson Company v. Mac-Fab Products, Inc.*, Civil Action No. 85-2678-C

*In this Brief in Opposition, respondent H. H. Robertson Company is referred to as "Robertson," petitioner Epic Metals Corporation as "Epic" and U.S. Patent No. 3,721,051, issued March 20, 1973, and owned by Robertson is generally referred to as "the Fork patent."

(E.D. Mo. 1988), and in a third case, *H. H. Robertson Company v. United Steel Deck, Inc. and Nicholas J. Bouras, Inc.*, Civil Action No. 84-5357 (D. N.J. 1986), *aff'd*, 820 F.2d 384, 2 USPQ 2d 1926 (Fed. Cir. 1987), Robertson obtained a preliminary injunction against infringement that was affirmed on appeal. In the present case, Robertson seeks for the second time to prevent Epic from infringing the Fork patent.

The first action between Robertson and Epic (W.D. Pa. Civil Action No. 85-1265) ended with the entry of a consent judgment that the Fork patent was valid and infringed. (App. 25a-30a). In paragraph 8 of the consent judgment, Epic referenced a possible future product illustrated in Exhibit A to the consent judgment, and expressly reserved the right to contend that the Exhibit A floor structure would not infringe the Fork patent on the basis that it follows the prior art or is an obvious modification of the prior art. (App. 28a). As the court of appeals found, this was the only reservation contained in the consent judgment. (App. 6a-7a, 25a-30a).

The present case involves the Exhibit A floor structure, which Epic made and sold for installation at various locations such as the Citibank Building in Rochester, New York. (App. 15a). After Robertson filed a petition to initiate civil contempt proceedings and Epic filed a declaratory judgment action, the district court determined that the declaratory judgment action would provide the proper setting for resolution of the parties' dispute. (App. 15a).

Robertson subsequently filed "Motions for Summary Judgment on Validity and Infringement or, in the Alternative, for a Preliminary Injunction" and requested a hearing before the district court. (App. 13a-24a). The district court (Cohill, C.J.) expressly noted that Robertson had moved both for summary judgment as to the

entire declaratory judgment action and, in the alternative, for a preliminary injunction enjoining Epic from infringing the Fork patent. The district court addressed and denied these motions separately, and also denied Robertson's subsequent motion under Fed. R. Civ. P. 52(b). The district court's denial of the motion for preliminary injunction was based on its determination, bottomed on its interpretation of paragraph 3 of the consent judgment, that the consent judgment did not preclude Epic from relitigating the validity of the Fork patent. (App. 13a-47a).

Robertson appealed the denial of the motion for preliminary injunction to the Court of Appeals for the Federal Circuit. In a panel decision, the Federal Circuit reversed the decision of the district court, holding that, in denying Robertson's motion for preliminary injunction, the district court erred "as a matter of law in not precluding Epic from relitigating validity." (App. 7a). Applying *res judicata* principles of the Court of Appeals for the Third Circuit, the Federal Circuit held that Epic was precluded from relitigating the issue of validity by its failure to expressly reserve this issue in the consent judgment. (App. 5a-8a). The court of appeals vacated the district court's order and remanded the case to the district court. (App. 8a).

The court of appeals also denied Epic's motion to dismiss the appeal for lack of jurisdiction, holding (Rich, J.)** that a district court order granting or denying a preliminary injunction is appealable under 28 U.S.C. § 1292(a)(1). Epic also argued the jurisdiction issue before the panel, which rejected the argument for the same reasons expressed by Judge Rich. (App. 4a). Epic raised the jurisdiction issue for the third time in a

** Judge Rich's Order was not attached to the petition for certiorari and is reproduced herewith as Exhibit 1.

Petition for Rehearing and a Suggestion that Such Rehearing be in Banc, in which Epic also requested rehearing with respect to the panel's decision on the merits. The petition for rehearing was denied on May 4, 1989 (App. 12a) and the suggestion for rehearing in banc was separately denied on June 5, 1989.

On August 1, 1989, Epic filed a petition for certiorari to the Supreme Court of the United States.

REASONS FOR DENYING THE WRIT

I. The Federal Circuit Court of Appeals had Jurisdiction to Consider Robertson's Appeal

In the first and second points of its argument, Epic contends, based on this Court's decision in *Switzerland Cheese Association v. Horne's Market*, 385 U.S. 23 (1966), that the Court of Appeals for the Federal Circuit did not have jurisdiction to hear Robertson's appeal. This argument is incorrect and is based on a fundamental misunderstanding of the *Switzerland Cheese* case. Further, Epic points to no conflict in the circuits to merit this Court's consideration of this issue.[1]

Epic states that *Switzerland Cheese* held that the "denial of a motion for summary judgment *and* for an injunction" because of unresolved issues of fact was not appealable under Section 1292(a)(1). (Petition, at 8, 9) (emphasis added). This description is not accurate. Instead, in *Switzerland Cheese*, petitioners moved *only* for summary judgment that they were entitled to a

[1] Epic argues that because of the exclusive jurisdiction of the Federal Circuit for patent appeals, "there is no possibility for the issue to be passed upon by other courts of appeals . . ." (Petition, at 10). Epic wholly fails to explain why this procedural setting has not or could not arise in any circuit, and provides no contrary analysis from any other court.

permanent injunction. The district court ruled only that factual issues precluded denial of summary judgment, and did not finally deny the injunction:

> It is equally clear that the district court did not finally deny a permanent injunction, but merely held that in the present posture of the case there is an issue of fact making a summary judgment inappropriate.

Switzerland Cheese Ass'n v. Horne's Market, 351 F.2d 552, 553 (1st Cir. 1965).

By contrast, in the present case Robertson moved for summary judgment as to the entire case *and*, in the alternative, for a preliminary injunction. The district court addressed these motions separately, both with respect to Robertson's original motion and its subsequent motion under Fed. R. Civ. P. 52(b). Unlike the district court in *Switzerland Cheese*, the district court explicitly and finally denied Robertson's motion for preliminary injunction, including its request for a hearing, and the court of appeals properly accepted jurisdiction of Robertson's appeal. 28 U.S.C. § 1292(a)(1) and (c).

In sum, Robertson appealed from the denial of a preliminary injunction rather than, as Epic persists in arguing, from the denial of summary judgment. The express language of Section 1292 permits an interlocutory appeal from the "refusing" of an injunction and this rule was not changed by this Court in the *Switzerland Cheese* case.

II. The Federal Circuit Correctly Reversed the Decision of the District Court

In the third point of its petition, Epic contends that the Court of Appeals for the Federal Circuit erred in ruling that Epic was precluded by the consent judgment

from relitigating the issue of validity. While Epic seeks to cast this as an issue of general importance worthy of review by this Court, its essential claim is that the court of appeals ruled erroneously on the narrow and specific facts of this case. Epic's position is neither correct nor a matter of general importance.

First, the court of appeals' decision is correct. The court held that a party to a consent judgment seeking to reserve an issue for future resolution must do so expressly, as Epic did in paragraph 8 with respect to certain infringement issues, but did not do with respect to the issue of validity. This rule is fair and workable as a general matter and yields a correct result in the present case.

Second, the Federal Circuit's decision is consistent with this Court's decisions in *United States v. ITT Continental Baking Co.*, 420 U.S. 223 (1975) and *United States v. Armour & Co.*, 402 U.S. 673 (1971). These cases hold that a consent decree is to be construed for enforcement purposes as a contract to be interpreted within its "four corners," subject only to construction aids available in construing any contract. *See ITT*, 420 U.S. at 233-238. While Epic contends summarily that the Federal Circuit's decision conflicts with the *ITT* and *Armour* cases, it is clear that Epic's dispute is not with the method of analysis employed by the Federal Circuit, but with its conclusion.[2]

Third, Epic incorrectly contends that the Federal Circuit is creating a "special exception" for interpreting

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[2] Epic also contends that Robertson conceded that Epic had some right to attack the validity of the patent. This purported admission, argued unsuccessfully by Epic below, is taken completely out of context and in fact deals with Robertson's view that Epic at one time had a right to seek relief from the consent judgment under Fed. R. Civ. P. 60.

consent judgments in patent cases. To the contrary, the Federal Circuit's decision was expressly based on the applicable *res judicata* principles of the Court of Appeals for the Third Circuit. (App. 5a).

Finally, Epic's contention that the public interest favors review of this case is also unfounded. (Petition, at 13,14). In fact, the public interest favors the result reached by the Federal Circuit. After obtaining a judgment that its patent is valid and infringed, a patent owner should not have to relitigate the entire case each time the infringer produces a variation of the infringing product. The decision in this case instead places the burden on the infringer to expressly reserve any issue it wishes to defer for another day. This decision serves the public interest in protecting patent rights and minimizing litigation and provides a clear standard upon which both parties to a consent decree can rely.

CONCLUSION

For the reasons stated above, respondent H. H. Robertson Company respectfully requests that the Petition for Certiorari be denied.

Respectfully submitted,

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Dated: August 30, 1989

Note: This Order has not been prepared for publication in a printed volume because it does not add significantly to the body of law and is not of widespread legal interest. It is a public record. It is not citable as precedent.

UNITED STATES COURT OF APPEALS

FOR THE FEDERAL CIRCUIT

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Defendant-Appellant.

88-1648

ON MOTION

Before RICH, Circuit Judge.

ORDER

H. H. Robertson Company moves for an expedited briefing schedule and hearing. Epic Metals Corporation opposes the motion. Epic moves to dismiss. Robertson opposes the motion.

On April 21, 1988, in a single order, the United States District Court for the Western District of Pennsylvania denied Robertson's motions for summary judgment and for a preliminary injunction. On August 31, 1988, the district court denied Robertson's Fed. R. Civ. P. 52(b) motion.

Robertson appealed. Its amended notice of appeal states that it is appealing:

> from the ORDER denying a Preliminary Injunction, entered in this action on April 21, 1988, and the ORDER, on timely filed motion under Fed. R. Civ. P. 52(b), denying amendment of findings and making additional findings and amendment accordingly

of judgment denying a Preliminary Injunction, entered in this case on August 31, 1988.

Here, Robertson moves to expedite the briefing schedule, stating that it will file its brief within 10 days of a ruling on its motion. Because Robertson is willing to "self-expedite," we will grant its motion and direct Epic to file its brief within 30 days after service of Robertson's brief.

With respect to the motion to dismiss, Robertson has a right under 28 U.S.C. § 1292(a)(1), (c)(1) to appeal from a district court order denying a preliminary injunction. Robertson's amended notice of appeal indicates that it is appealing solely from that order and not from the denial of its summary judgment motion. Accordingly, Epic's motion to dismiss will be denied.

Upon consideration thereof,

IT IS ORDERED THAT:

(1) Robertson's motion to expedite is granted.

(2) Robertson's brief is due 10 days from the date this order is filed.

(3) Epic's brief is due 30 days after service thereof.

(4) Robertson's reply brief is due within 10 days after service thereof.

(5) Oral argument, if directed, will be scheduled when feasible.

(6) Epic's motion to dismiss is denied.

26 Oct. '88	/s/ GILES S. RICH
Date	Giles S. Rich Circuit Judge

cc: Arland T. Stein, Esq.
Walter J. Blenko, Jr., Esq.